

**PGL Ex. 1.1 -- Consolidated Statements of Income for the twelve months ended December 31, 2014**

**THE PEOPLES GAS LIGHT AND COKE COMPANY**

<b>CONSOLIDATED STATEMENTS OF INCOME</b> (Millions)	<b>Year Ended December 31, 2014</b>
<b>Operating revenues</b>	<b>\$1,478.0</b>
Cost of natural gas	769.3
Operating and maintenance expense	482.2
Depreciation and amortization expense	103.7
Taxes other than income taxes	20.9
<b>Operating income</b>	<b>101.9</b>
Miscellaneous income	1.4
Interest expense	31.0
<b>Other expense</b>	<b>(29.6)</b>
Income before taxes	72.3
Provision for income taxes	28.9
<b>Net income</b>	<b>\$43.4</b>

**PGL Ex. 1.2 -- Consolidated Balance Sheets as of December 31, 2014****THE PEOPLES GAS LIGHT AND COKE COMPANY****CONSOLIDATED BALANCE SHEETS**

(Millions)

**At December 31, 2014**

<b>Assets</b>	
Cash and cash equivalents	\$2.6
Accounts receivable and accrued unbilled revenues, net of reserves of \$53.1	301.2
Receivables from related parties	0.6
Notes receivable from related parties	48.6
Natural gas in storage, at LIFO	113.4
Materials and supplies	15.9
Regulatory assets	53.6
Deferred income taxes	53.2
Prepaid taxes	60.0
Other current assets	7.3
<b>Current assets</b>	<b>656.4</b>
Property, plant, and equipment, net of accumulated depreciation of \$1,201.3	2,683.3
Regulatory assets	912.0
Other long-term assets	9.4
<b>Total assets</b>	<b>\$4,261.1</b>
<b>Liabilities and Shareholder's Equity</b>	
Short-term debt	\$165.3
Accounts payable	200.9
Payables to related parties	24.4
Accrued taxes	51.7
Regulatory liabilities	115.0
Other current liabilities	106.6
<b>Current liabilities</b>	<b>663.9</b>
Long-term debt	850.0
Deferred income taxes	613.5
Deferred investment tax credits	28.1
Environmental remediation liabilities	433.7
Pension and other postretirement benefit obligations	313.4
Asset retirement obligations	439.5
Other long-term liabilities	45.0
<b>Long-term liabilities</b>	<b>2,723.2</b>
<b>Commitments and contingencies</b>	
Common stock - without par value, 40,000,000 shares authorized; 25,357,566 shares issued and outstanding	286.8
Retained earnings	587.2
<b>Total liabilities and shareholder's equity</b>	<b>\$4,261.1</b>

**PGL Ex. 1.3 -- Capital Structure as of December 31, 2014 with Pro Forma Adjustments**  
**Giving effect to the issuance of \$125 million of long-term debt**

**THE PEOPLES GAS LIGHT AND COKE COMPANY**

<b>CONSOLIDATED STATEMENTS OF CAPITALIZATION</b>		<b>Balance as of</b>	<b>Financing</b>	<b>Adjusted</b>	<b>Capitalization Ratios</b>	
<b>(Millions, except share amounts)</b>		<b>December 31, 2014</b>	<b>Adjustments</b>	<b>Balance</b>	<b>December 31, 2014</b>	<b>Adjusted</b>
<b>Common stock equity</b>						
Common stock, without par value, 40,000,000 shares authorized, 25,357,566 shares issued and outstanding						
		\$286.8		\$286.8		
Retained earnings		587.2		587.2		
<b>Total common stock equity</b>		874.0	-	874.0	50.7%	47.3%
<b>Long-term debt</b>						
First and Refunding Mortgage Bonds						
	<u>Series</u>	<u>Year Due</u>				
	RR <sup>1</sup>	4.30% 2035	50.0	50.0		
	TT	8.00% 2018	5.0	5.0		
	UU	4.63% 2019	75.0	75.0		
	VV	2.125% 2030	50.0	50.0		
	WW <sup>2</sup>	2.625% 2033	50.0	50.0		
	XX	2.21% 2016	50.0	50.0		
	YY	3.98% 2042	100.0	100.0		
	ZZ	4.00% 2033	50.0	50.0		
	AAA	3.96% 2043	220.0	220.0		
	BBB	4.21% 2044	200.0	200.0		
	New Issuance		\$125.0	125.0		
Total First and Refunding Mortgage Bonds		850.0	125.0	975.0		
Unamortized discount on long-term debt, net		-		-		
<b>Total long-term debt</b>		850.0	125.0	975.0	49.3%	52.7%
<b>Short-term debt</b>		165.3	-	165.3	9.6%	8.9%
<b>Total capitalization</b>		\$1,724.0	\$125.0	\$1,849.0	100.0%	100.0%

Notes

1 Mandatory interest reset date on June 1, 2016.

2 Mandatory interest reset date on August 1, 2015.